MEMORIAL

OF

SAMUEL SLATER, AND OTHERS,

A COMMITTEE APPOINTED BY

The Manufacturers of Cotton;

AND OTHERS INTERESTED IN THE MANUFACTURE OF THAT ARTICLE,

IN THE

STATE OF RHODE ISLAND, &c.

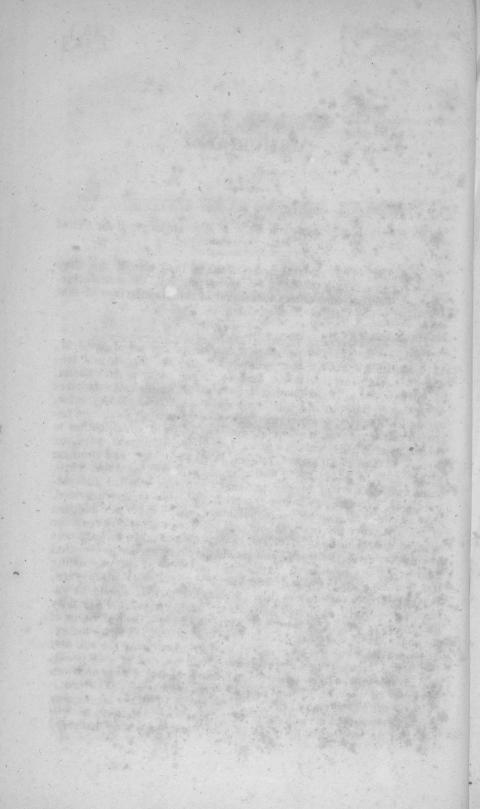
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1824.



MEMORIAL.

To the Honorable the Senate and House of Representatives of the United States in Congress assembled:

The memorial of the undersigned citizens of the United States, they being a Committee appointed by, and acting for, the manufacturers of Cotton, and others interested in the manufacture of that article, in the state of Rhode Island,

HUMBLY SHEWETH:

That, by the 4th clause of the 1st section of the act of April 27, 1816, entitled "An act to regulate the duties on imports and tonnage," it was provided, that a duty of 25 per centum, ad valorem, should be levied, collected, and paid, on imported woollen manufactures of all descriptions, or of which wool was the material of chief value, excepting blankets, woollen rugs, and worsted or stuff goods: on imported cotton manufactures of all decriptions, or of which cotton is the material of chief value; and on imported cotton twist, yarn, or thread, to take effect on the 30th of June, then next, and continue till the 30th of June, 1819; and after the said 30th of June, 1819; an ad valorem duty of twenty per cent. on such woollen and cotton goods, excepting as before excepted. It was further provided. that all cloths of such cotton manufacture which, with the addition of ten or twenty per cent., should cost less than twenty-five cents the square yard, should, nevertheless, be deemed and taken to have cost twenty-five cents the yard, and should pay duty accordingly: that unbleached or uncoloured yarn, twist or thread of cotton, costing less than 60 cents the pound; and bleached or coloured cotton yarn, twist or thread, costing less than 75 cents the pound, should be valued, respectively, at 60 and 75 cents a pound, and should pay duty accordingly. That, by the act of April 20th, 1818, the provisions of the above clause were extended to June 30th, 1826. That, by the general provisions of the 2d clause of said first section of the act first mentioned, blankets and rugs of wool, and worsted or stuff goods, and all fabricks of linen imported, were subjected to a duty of fifteen per cent. ad valorem, without any minimum valuation. The provisions of the fourth clause, Sec. 1, of the act of 1816, so far as they relate to imported manufactures of cotton, were intended, as will probably be recollected by many of your honourable body, to extend

a reasonable protection to the domestic manufacture of coarse cotton goods—a manufacture which had been extensively commenced in this vicinity, during the embargo, non-intercourse and war, and which the return of peace, the restoration of our commercial intercourse with Europe, and the competition of European capital and manufactures with those of our own country, had greatly embarrassed. wisdom of such a measure was seen and acknowledged by many of our wisest and most patriotic citizens. To save from destruction the great amount of capital already fixed in the establishments necessary to the prosecution of the manufacture—in the full persuasion, when so fixed, that it would be protected by Government; to promote the home manufacture of an article of indispensable use among the great majority of our population—to secure a home market, and one which might thereafter, be increased to an indefinite extent, for the valuable staple of southern agriculture, which formed the raw material of that manufacture and a home market, also, for our grains and provisions, in maintaining the laborers employed in working it up-to encourage the mechanic arts, which had become auxiliary to the manufacture, and the commercial and shipping interests on which it was mainly dependant for supply and distribution—to meet, eventually, the demand of the domestic market, possibly to furnish, for exportation, a fabric of great exchangeable value—thus far to relieve our country from those exhausting drains of specie which had checked her industry, and reduced many of her merchants and moneyed institutions to great difficulties: These were the praiseworthy objects of those, who, in the session of 1815—16, advocated the clause in question. It has become the duty of your memorialists, most respectfully, to submit to the Legislature the results of their experience during seven years, of the operation of legislative provisions which have been enumerated; and to suggest such modifications of, or additions to, the existing laws. as may, under present views and prospects, be deemed necessary to the further and effectual promotion of the objects aforesaid.

That the above mentioned modification of the tariff of duties has been productive of much benefit to the domestic manufacturer, and of incalculable advantage to the community, is readily admitted, by those who have observed the course of events. The benefit enjoyed by the manufacturer, consisted, principally, in the comparative steadiness which it gave to the market price of the manufactured article. High profits were out of the question, in a case where the number. the activity, and enterprise, of competitors rendered all plans of monopoly impracticable. Enabled to calculate, with reasonable certainty. on steady and moderate profits, capitalists were induced to embark their money, and artizans their skill and experience. The mills which had been stopped by the difficulties of 1815 and 1816, were gradually put into motion, in some cases by the original founders, in others, by purchasers at sheriff's sales, or under assignments for the benefit of creditors. As the large stock of India and other imported coarse cloths, on hand at the passage of the act, or imported before the expiration of the time limited by it, was taken from the market

by the consumer, the demand for coarse American cloths increased; but the prices of those cloths were first prevented from advancing, by the remaining foreign stock, and, eventually, suffered a reduction, by the rapid increase of the domestic manufacture and the

competition among sellers.

In the years 1820 and 1821, the domestic article had occupied the market, to the almost entire exclusion of similar fabricks of foreign manufacture. In the years 1822 and 23, so great was the competition among manufacturers, and so large the importation of cheap stuff goods, admitted to entry at a duty of only fifteen per cent. ad valorem, and of cheap linens admitted at the same rate, both free from any minimum valuation, that the coarse cloth manufacture became once more embarrassed, and still labors under great difficulties. A brief view of the policy of the British government, with regard to manufactures, of the manner in which it renders them subservient to the prosperity of its agriculture and the aggrandizement of its political power, and of the encouragement which it extends to the exportation of the abovementioned goods, by its drawback and bounty laws, will account for their importation, in such large quantities, into this country, and indicate the proper measures to be taken by this country, for the security of its own agriculture and manufactures.

By prohibiting, under penalties, which, in some instances, touch the life of the offender, the exportation of the raw materials of these manufactures, thus giving to manufacturers at home the monopoly, at their own prices, of those materials, the British Parliament has effectually secured to its own subjects the whole labor of preparing them for the market. The agriculturists are supposed, and with good reason, to be amply remunerated for this restriction on the exportation of those products of their industry, by the enhanced prices of all agricultural products which go to the immediate subsistence of labor. The truth of this remark is fully established by the high rents of lands. The general policy of the system, looking to the most profitable appropriation of the land and labor of the community, seems intended to restrict the production of raw material, for manufacture, to the actual demand; in some instances to less than the actual demand of the manufacturer; and, by an abundant provision of food, to encourage population. The general effect of the system has been to confine grazing, a branch of agricultural labor, which is, when followed independently, the least profitable of all branches, either to land, unfit, by its natural surface, for any other mode of improvement, or to lands which may be profitably appropriated to grazing, during some period of a regular routine of cultivation; and to prevent the cultivation of flax, or other substances, forming the raw materials of manufactures, except as intermediate crops. A numerous population may exist, with comfort, for a long time, although deprived of a full supply of the raw materials of its usual labors; but cannot exist, in comfort, a single day, when deprived of a full supply of the food necessary to its subsistence. The first mentioned

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deficiency may be supplied by importations from abroad, but to supply the last by such importations might be impracticable. Hence,

the wisdom of the above system.

The first grand principle of British policy, therefore, is to increase the individual number and positive physical power of the community. Its second grand principle is, so to regulate the exchanges between that community and foreign communities, as to enhance the relative power of the former, by obtaining from the latter such articles of exchange as have been produced at a greater expense of human labor, in payment for articles of its own production, obtained at a smaller This object is accomplished by supporting its own side of the exchange with the labor of human hands, assisted by labor-saving machinery; by obtaining raw material for manufactured goods. The use of labor-saving machines, which cost nothing but the expense of their construction and repair, enables one man to perform the work of fifty men, not using such machines; but the production of raw materials cannot be thus facilitated. It requires the actual expenditure of human strength to the amount of the production; and that strength must be maintained by a continual expense of food, of raiment, and lodging. The community, therefore, which exchanges such manufactured articles for raw materials, buys the labor of fifty men for the labor of one man, and enhances its own relative force, while it diminishes the relative force of all communities with which it ex-

changes on such terms.

In this view of the subject, the British Parliament has continued, from the time of Edward the Third, to restrict the domestic production of the raw materials of manufactures, for exportation, in the raw state; to encourage the home manufactures of the raw materials produced; and the exportation, to foreign countries, of the manufactured goods. In like manner, the importation of all manufactured articles, the raw materials of which could be produced at home or obtained abroad, or for which a substitute could be found among domestic manufactures, has been either prohibited or restricted by high duties. A modern instance of the adherence of the British Parliament to the policy of Edward, may be found in the history of the British cotton manufacture, and is worthy of imitation in this country. One great branch of the trade of the British East India Company, from its first incorporation, to the rise of the cotton manufacture in England, consisted in the importation from India, and sale in England, and other parts of Europe, of India cotton cloths, of all descriptions. The condensed population, abundance and cheapness of provisions, and low rate of labor, in the Indian peninsula, enabled the Company to purchase cloths in that country at prices which bid defiance to all competition, by manual labor alone, in every other country. Their profits, therefore, on the importation and exclusive sale of these goods in Great Britain, were enormous. But the invention of labor-saving machinery, for spinning cotton, first made by Arkwright, and afterwards improved by himself, and others, threatened to deprive the Company of this source of profit. In the

year 1787, one hundred and forty-three cotton mills had been constructed, or were in progress, at an expense of one million sterling. Those in operation employed a great number of people. The muslins, calicoes, and other cloths, produced, were more substantial than the India goods. The Company became alarmed, and, in order to check this rising domestic manufacture, imported a very large amount of the Indian fabrics, which they sold at prices 20 per cent. less than those of the domestic manufacture. Though this was a contest entirely confined to British subjects, the British parliament very promptly interfered in favor of the home manufacturer, and, that same year, imposed a duty of fifty per cent. ad valorem, on the wholesale prices of the imported goods in England. In 1798, this duty was raised to one hundred and twenty-two per cent. ad valorem. By such effectual protection, has the manufacture of cotton in England been fostered, that cotton cloths, to a large amount, are now actually sent to India; * and no country, which does not protect its own manufactures by legislative enactments, can reasonably hope to compete with British fabrics in its domestic markets.

But, the monopoly at their own prices, of the raw materials of manufactures produced at home, and the exclusion, from the home and colonial markets, of all goods of foreign manufacture, are not the only encouragements extended by the British government to the domestic manufacturer. The system receives a new impulse from the acts of parliament, which allow drawbacks and bounties, on the exportation of certain manufactured goods. These inducements to exportation have a great effect on prices, when the domestic market is threatened with a glut, by redundant hanufacture. By relinquishing, in nearly every instance, the excise on the manufacture when exported, or the import duty on the raw materials, of which the manufacture is composed, by paying, in many instances, a direct bounty on the exportation of goods, the raw materials of which are wholly, or in part, of domestic origin, they encourage the manufacturer to persevere in his business. With a reasonable certainty that the drawbacks or bounties will enable him to export, or sell for exportation, without positive loss, he continues to add to the stock of exchangeable commodities. His laborers, with constant employment, con-

^{*} Extract of a letter from a merchant in Manchester, England, to a merchant in Providence, R. I. dated, August 23, 1823.

[&]quot;In cottons, the supply of India in 1815, under the ancient system of monopoly, by the Company, was, in value £109,480. In 1821, the supply of the same article, under the existing system of free trade, was £880,881. In 1822, the value of the supply was, £1,020,325, that is, exceeding ten times the amount of the former average supply. In 1815, the quantity of printed cottons, exported from Great Britain into India, was 604,800 yards. In 1821, the quantity of the same export, was 7,602, 245 yards. In plain cottons, the increase is equally astonishing, although it may be considered they produce plain cottons themselves, cheaper than any other fabric. In 1815, the quantity of plain cottons, exported from Great Britain into India, was 213,408 yards. In 1821, the quantity of the same manufacture, was 6,724,031 yards. In 1822, the quantity was 9,940,736 yards. If the English manufacturers can stop the spindle and the shuttle of the Hindoo, who is supported upon a handful of rice a day, in a climate where little is required for clothing, or shelter, they may feel secure of those, and all other markets, where their goods are allowed admission for consumption."

sume and pay for the products of agricultural industry; his goods are distributed, and his supplies obtained, by the mercantile and shipping interest, and the country prospers by the united labors of

all branches of its citizens.

The permanent effects of these drawbacks and bounties on the manufacture of other communities, form another object of the policy of parliament. Whenever an article, entitled to drawback or bounty, on exportation, has become accumulated in the hands of the manufacturer, he obtains a present relief, in the sum which he receives on the exportation of a part of his stock. The substraction, from the domestic market, in this manner, of only one twentieth, or one tenth of the whole, gives to the remainder a greater value in that market, than the whole would have commanded before, If the goods thus substracted be suddenly thrown into the market of a foreign nation, whose domestic manufacture of similar goods is equal to its domestic consumption, or nearly equal, the market value of the whole domestic stock is suddenly reduced, perhaps twenty, or twenty-five per cent. The domestic manufacturers of the nation in question are obliged to suspend their industry, perhaps, to abandon their worksaltogether, while the British manufacturer sustains no loss, or a very trifling one, on his shipment, raises the price of his wares in the British market, and is enabled to keep his works in constant operation. He can repeat his shipments, with the certainty of a profit, until the partial revival of the foreign manufacture compels him once more to make a temporary sacrifice. But the gains of the British, and the losses of the foreign manufacturer, by these transactions, are trifling, when compared with the gains and losses of the communities to which they respectively belong. In the former, the laboring classes are kept in constant employment, and supported on the products of agricultural industry. In the latter, they must be discharged from the factories, and contribute by their labor on the land, to increase the quantity, and diminish the market value of agricultural productions.

When we look at the amount of these drawbacks and bounties on the exportation of some of the manufactured articles in question, we are not surprised at their effect on the manufacture of coarse cotton cloths in this country, on brown and white linens, the cost of which, to the British manufacturer, does not exceed eighteen pence sterling the yard, a drawback of 1½ pence is allowed. Some of these linens brought to this country cost no more than 42d. and the great bulk of them do not exceed 7½d. The drawback on the former is 33½ per cent., and the average about 20 per cent., thus paying the freight and duty to this country. Immense quantities of these goods are imported to discourage the manufacture in this country of coarse cotton cloths. They are highly finished, but of little real value, compared with the domestic goods. A new mode of evading the minimum valuation on cotton goods has lately been found in the importation of mixed fabricks, checks, plaids, sheetings, &c. the webs of which are composed partly of linen and partly of cotton, cleared out from

Great Britain, and entered in this country as cloths, of which linen is the material of chief value, they are entitled at the custom houses of Great Britain, to the bounty of 11d. or 31d. sterling the square yard, and pay in those of this country an ad valorem duty of fifteen per This evasion enables those who practice it to introduce goods which interfere with our coarse cloths, at a cost here considerably less than their market price in Great Britain; and to defraud our revenue at the rate of ten per cent. on the whole amount of fine goods of this description imported. On coarse stuff goods, exported and admitted here on payment of fifteen per cent. ad valorem, no drawback or bounty is, we believe, allowed; but such allowance is rendered unnecessary by the low price of the raw material, the natural effect of the acts of parliament, restricting its exportation in the raw state. The qualities of wool, composing the raw material, are bought by the manufacturer at from 6d. to 9d. sterling the pound, and would, if they could be exported free of duty to this country, command from 22 to 35 cents the pound—thus giving, really and substantially, an advantage to the British over the American manufacturer, of one hundred per cent. in the cost of the raw material.

Printed cotton calicoes, vestings, and other wares of a like description, on which, when exported, the British Government pays a bounty or drawback of 3½d. the square yard, something more than the duty here, greatly embarrass also the sales of American plain and colored goods. If the coarser fabrics of this description were excluded by an adequate valuation and duty, the manufacture of plaids checks, &c. now nearly ruined, as well as the printing of cottons, already began in several parts of this country, would be greatly encouraged. The works of our manufacturers peculiar to the manufacture of plaids and checks, would again become valuable, and the printing of cottons would create a new demand for their plain goods. It would be important to the manufacturer, in the steadiness of price which it would produce, to the revenue of the country in the duties on the additional quantities of dying drugs required, to the farming interest in the new demand which it would create for the necessaries of

life to a new class of manufacturers.

On the foregoing view of the cotton manufacture of this country; of the rivalships to which it is exposed; and the embarrassments to which it is subjected; your memorialists would respectfully suggest, to the wisdom of your honorable body, the following modifications of

existing laws:

That the minimum valuation of twenty-five cents the square yard, and ad valorem duty of twenty-five per cent. be extended to all uncolored cloths imported, whether of worsted, cotton, or linen. That a minimum valuation of thirty-five cents the square yard, and an ad valorem duty of twenty-five per cent. be imposed on all colored, printed, or bleached goods imported, whether the same shall be of worsted, cotton, or linen.

That a minimum valuation of one dollar and thirty cents a pound, and an ad valorem duty of twenty-five per cent. be imposed on all im-

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ported cotton or linen thread, twist, yarn, or floss. That the aforesaid valuations and duties be made permanent; and that, in every instance of the importation of such goods, there be added to the said duty of twenty-five per cent. ad valorem, a sum equal to the amount of all drawbacks, bounties, or other payments, received from, or secured by, the custom houses of the country whence said goods were imported, or otherwise secured or paid by the Government of said country.

A general revision of the tariff of duties, and a moderate enhancement of the duties on imported manufactures, the raw materials of which may be found at home, or are within the reach of our commerce, would, also, we are persuaded, greatly assist your memorialists, by the relief which it would soon afford the currency of the country, and the new incentives which it would offer to enterprize, to industry, and skill. In proportion as the rewards of labor are increased, will its ability and disposition to use the necessaries, the comforts, and luxuries of life, be aided and stimulated.

Your memorialists are aware that many objections have been made to any modification of the tariff, whether general or partial, for the encouragement and protection of manufactures; and they are induced, by their respect for public opinion, as well as for the talents and patriotism of many individuals, in and out of Congress, urging those objections, to offer their own views of these topics, which have been

most frequently dwelt upon.

We are told, that the regulation of the business of individuals is no part of the duty of Congress. To this, we reply, shortly, the express power of regulation given by the Constitution, and exercised by Congress for more than thirty years, in regulations, almost without number, and touching the trade and industry of the nation in al-

most every conceiveable point.

Another objection of more serious import, is found in the alleged reduction of the revenue, consequent upon any considerable check on the sale of foreign manufactures in our own markets. To this, we reply, that an exclusion of articles now taxed, will not diminish, but rather increase, the common fund from which taxes are paid—will increase the ability to buy and pay for other articles, still subjected to taxation, and that the consumption of a community is bounded only by its ability to purchase the articles consumed. In proportion as the country is relieved from the payment of the sums now sent abroad for manufactured articles, for which substitutes are provided at home, those sums will be appropriated to the purchase abroad of raw materials or manufactured articles which cannot be produced here. The personal observation of your memorialists confirms this position. Since the rise of the domestic cotton manufacture, thousands of families, who, before its rise, were unable to purchase imported luxuries of food and dress, have become able to do so; and the sales of sugars, teas, and coffee, of silks, crapes, and fine muslin, have been greatly increased, in the neighborhood of the cotton mills. If any reasonable apprehension is entertained on this point, a deficit of the

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revenue may be prevented, by enhancing the duties on the above articles. Silks, in particular, which now pay only fifteen per cent. advalorem, would bear a duty of twenty-five per cent. without any con-

siderable diminution of their use.

Another objection, zealously urged against the legislative protection of manufactures, is, that the price of the articles on which increased duties are laid, will be materially enhanced to the consumer. who, it is said, will be obliged to pay the American manufacturer whatever price he may choose to set upon his fabrics, since there will be no foreign competition in the way. The same objection was urged against the act of 1816; but the event has fully proved its fallacy. In a very short time after the law was passed, the rapid increase and extension of the cotton manufacture caused such a competition among our own manufacturers, in the article of coarse, brown, and white cottons, the only fabricks protected by that act, that the country became, and still continues to be, fully supplied with the article, at a much less price than similar articles were formerly imported at, without taking into consideration the superior quality of the domes-This experience of the efficacy of a system of legislative protection to manufactures, affords, we believe, ample reasons for supposing, that were an effectual protection extended to all our manufactures, the rivalship of the American manufacturers, themselves, would prevent the advance of prices, and supply the country on as cheap as, perhaps on cheaper terms than similar articles from abroad now cost us.

The exclusion of an unsubstantial foreign fabrick has been pronounced a tax on the poor, for the benefit of the rich. How can that be a tax which has substituted a more durable fabrick, at half the price of that excluded—which has multiplied the demands for labor, and increased the reward which it receives, and, consequently, its ability to pay for the cheaper fabrick? The accusation is untenable.

American community and all others, it is, indeed, a monopoly, inculcated by a regard for our own interests, odious only to foreigners, who owe us no allegiance; whose interests we are not bound to consult, at the expense of our own citizens. As between citizens of the American community, it is no monopoly; for every citizen may participate in the benefits of the domestic manufacture, and all are me-

diately or immediately interested in its success.

It has been strenuously argued, that the legislative protection of manufactures, will annihilate commerce. If your memorialists believed this, they would hesitate, at least, before making the present appeal. Some of them, and very many of the persons whom they represent, are ship owners and merchants, deeply interested in every branch of foreign and domestic commerce. But their personal observation and experience convince them that this argument is one against fact, that since the rise of the cotton manufacture in Rhode Island, both the coasting trade and foreign commerce of the town of Providence, the principal focus of supply and distribution for it, have greatly in-

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creased. The former, in particular, has more than doubled. The aggregate of commercial transactions in Providence, has increased in the same ratio. The ports of Mexico and South America, no longer, as formerly, closed against foreigners, have already afforded markets for partial shipments of coarse cotton cloths, and will, it is hoped, hereafter receive more considerable quantities of these and of other products of our agriculture and manufactures. To send our cottons and other raw materials of manufactures to foreign countries, not in the crude state, as at present, but quadrupled in exchangeable value, by the labor of our own citizens, supported in that labor by the products of our own agriculture, would place our commerce on the most permanent footing, and render the fields of this country more productive, in every thing which constitutes substantial wealth, than all the mines of Mexico and Peru. Such a result is certainly attainable, if we may be allowed to conclude from the experience of another nation.

We are persuaded, therefore, that there is no reason to apprehend any injury to our commercial interests, by the encouragement of domestic manufactures; and we believe that those interests will receive additional support from every measure calculated to assist them.

With still less reason can it be asserted, that the encouragement of manufactures, by restrictions on importations, is a tax on agriculture. The new value given to the crude products of the earth, in rendering them fit for use, consists entirely in the labor of man. manufactures are to be created or extended in a country where they do not exist, or exist in very small numbers, the labor which is required for their prosecution must be maintained for all the essentials of life, on the products of domestic agriculture. If that labor be drawn from among the natives of the soil, then the number of persons employed in producing food must be diminished, as well as the amount of food produced. The prices of agricultural labor, and of its products, advance in proportion to the increased scarcity of both; and farming becomes a more profitable business than it was before; for a number of persons have ceased to be rivals of those who follow it, and have become their customers. If the additional labor required be imported from abroad, then the community gains an immediate addition to its strength, and the farmer an addition to the number of his customers, the prices of his corn and provisions, and the profits of his business.

But, the additional profits which the farmer reaps by the encouragement of manufactures in his neighborhood, are not the only advantage of the measure: while he sells dearer, he buys cheaper. Encouraged by the exclusion of foreign, or preference given to domestic manufactures, the number of hands engaged in the latter is rapidly increased, and the profits of their business are gradually diminished, till, at length, that business becomes no better than other trades; and the farmer is enabled to buy his raiment without paying the expense

of its transportation from a distant country.

Thus, mutually assisting and assisted, agriculture and manufac-

tures enrich each other and the community at large. The surplus product of the land and labor of the country, beyond the demands of its population, goes to foreign communities, in the form of manufactured articles, in exchange for raw products or manufactures peculiar to the soil, the climate, or industry, of those communities. Commerce, the great chain of connexion between communities, is established on the firmest basis; and, ministering from the abundance of one to the wants of another, extends the bounds of civilization, of science, and of freedom, to the remotest habitations of the human

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